

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4108-02
Bill No.: Perfected HCS for HB 1370
Subject: Elementary and Secondary Education; Public Records, Public Meetings
Type: Original
Date: February 7, 2018

Bill Summary: This proposal requires public schools to post certain financial information online for public access.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume they do not anticipate significant costs to create the template. Local school districts and charter schools will likely incur significant costs to comply with this proposal. We defer to them regarding the extent of any costs.

In response to the HCS, officials at the **Shell Knob #78 School District** assumed the district would have to hire someone to take care of this requirement. The cost is estimated at \$34,000 to \$40,000.

In response to the HCS, officials from the **Moberly Public Schools** assumed a fiscal impact over \$40,000 annually for software licensing and \$20,000 annually for staff time to create and maintain data in a publicly digestible format. Total estimated cost is \$60,000 annually.

In response to the HCS, officials from **Bakersfield R-IV School District** assumed this proposal would cost approximately \$35,000 annually.

In response to the HCS, officials from the **Lathrop School District** estimated this proposal will cost the district \$200 for the year to download the budget as a PDF and upload it to the website.

In response to the HCS, officials from the **Summersville R-2 School District** assume there is very little fiscal impact.

In response to a previous version, HB 1370 (4108-01), officials from the **Pettis County R-12 School District** assumed a fiscal impact of \$2,000 to \$5,000 per year for creating and maintaining a database.

In response to a previous version, HB 1370 (4108-01), officials from the **KIPP St. Louis** public charter school estimated the cost to be approximately \$7,000 for a server and enhanced security and \$25,000 for a part time staff and technology persons to keep it up to date.

In response to a previous version, HB 1370 (4108-01), officials from the **Montgomery County R-II School District** stated the district already posts online the yearly budget, yearly audits, broad agendas and minutes. It would not take much to post the monthly bill lists after approval by the Board of Education.

ASSUMPTION (continued)

In response to a previous version, HB 1370 (4108-01), officials from the **Kirksville R-III School District** assumed little fiscal impact.

In response to a previous version, HB 1370 (4108-01), officials from the **West Plains School District**, **Northeast Nodaway R-5 School District**, and **Carondelet Leadership Academy** assumed the proposal will have no fiscal impact on their organizations.

Oversight notes this proposal requires school districts to develop, maintain and make publicly available a searchable budget and detail of actual income and expenditures. The information must be accessible and searchable for ten years. The Department of Elementary and Secondary Education shall create a template that school districts may use for posting this information.

Oversight assumes that DESE will be able to create the template using existing resources.

Oversight notes that of the school districts that responded to Oversight regarding the original proposal, some showed costs greater than \$1,000 per district. Oversight notes there are currently 518 school districts. If just half the school districts need the \$1,000 or more to comply with this proposal, costs would exceed \$259,000.

House Amendment 1

Officials at the **Department of Elementary and Secondary Education (DESE)** assume no change to the estimated fiscal impact.

Officials from the **Wellsville-Middletown R-1 School District** assume this amendment will certainly reduce the potential negative fiscal impact that new software and additional office-staff time will take to comply with the original proposal.

Oversight will show a fiscal impact to the school districts of \$0 or an unknown amount.

Oversight notes the amendment allows school districts and charter schools which do not provide detailed financial information to provide a link to DESE's website, which has detailed financial and budgetary information. Oversight assumes this option would reduce costs to effected districts and charter schools considerably.

Officials at the following school districts: Arcadia Valley R-2, Avilla R-13, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Brentwood, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Concordia R-2, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, Eldon R-I, Everton R-III, Fair Play,

ASSUMPTION (continued)

Fayette R-3, Forsyth R-3, Fox C-6, Fredericktown R-I, Fulton, Grain Valley, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kansas City Public Schools, Kearney R-1, Kennett #39, King City R-1, Kingston 42, Kirbyville R-VI, Lee Summit, Leeton R-10, Lewis County C-1, Lincoln R-II, Lindbergh, Lonedell R-14, Macon County R-1, Malta Bend, Mehville, Meramec Valley R-3, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Monroe City R-I, Morgan County R-2, New Haven, Nixa, North Kansas City, North St. Francois Co. R-1, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osborn R-0, Parkway, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Republic R-III, Richards R-V, Richland R-1, Richmond R-XVI, Riverview Gardens, Salisbury R-4, Sarcoxie R-2, Scotland County R-I, Sedalia, Seymour R-2, Sikeston, Silex, Smithville R-2, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Sullivan, Valley R-6, Verona R-7, Warren County R-3, Warrensburg R-6, Waynesville, Webster Groves, Wentzville, Westview C-6 and the Wright City R-2 school districts did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
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SCHOOL DISTRICT FUNDS

<u>Costs</u> - School Districts - development and maintenance of required document or database	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>
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ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill requires every school district and charter school to maintain an accountability portal for the public. By September 1, 2019 each public school district and charter school must develop, maintain, and make available all publicly available budget, income, expenditure, and disbursement information for the current fiscal year. The data on the portal must be updated quarterly and remain available for at least 10 years.

Additionally, the bill requires, by January 1, 2019, that the Department of Elementary and Secondary Education (DESE) create a template for voluntary use by any school district needing assistance in developing an accountability portal. In the event that a school district or charter school does not maintain a website, the information must be maintained through DESE.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Carondelet Leadership Academy
Bakersfield R-IV School District
Department of Elementary and Secondary Education
KIPP St. Louis
Kirksville R-III School District
Lathrop School District
Moberly Public Schools
Montgomery County R-II School District
Northeast Nodaway R-5 School District
Pettis County R-12 School District
Shell Knob #78 School District
Summersville R-2 School District
West Plains School District
Wellsville-Middletown R-1 School District

Ross Strobe



L.R. No. 4108-02
Bill No. Perfected HCS for HB 1370
Page 7 of 7
February 7, 2018

Acting Director
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